

September 9, 2004

MEMORANDUM

To: Interested Bidders

From: Jim Springer, Property Manager
Division of State Parks

Subject: Notice to the Request for Qualifications/Request for Proposals (RFQ/RFP) for
Malaekahana State Recreation Area (SRA), La'ie, O'ahu.

This is a notice to interested persons of the RFQ/RFP for Malaekahana State Recreation Area (SRA).

On page 10 of the RFQ/RFP package, that is available on the State Parks website, there is an error in the date the application and notice of intent is to be submitted. The correct date is no later than 4:00 p.m. on September 20, 2004, not October 1, 2004. The date is one week after the briefing meeting of September 13, 2004 at 10:00 a.m.

**MALAEKAHANA STATE RECREATION AREA
DEVELOPMENT PROJECT**

**REQUEST FOR QUALIFICATIONS / REQUEST FOR PROPOSALS
("RFQ / RFP")**

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF STATE PARKS**

August 24, 2004

NOTICE TO BIDDERS

MALAEKAHANA STATE RECREATION AREA DEVELOPMENT PROJECT

The Department of Land and Natural Resources ("DLNR") is issuing a Request for Qualifications / Request for Proposals ("RFQ/RFP") to solicit proposals from interested parties to invest funds for required infrastructure improvements and to develop, construct and manage public recreational facilities in exchange for a long term lease. It is the State's goal to find a suitable management entity that will develop the park (two non-contiguous sections, Kalanai at 73.71 acres and Kahuku at 36.16 acres) with recreational facilities and manage the area's resources, preserve and maintain them for Hawaii's future. The subject lands consist of approximately 109.8 acres (not contiguous) and are all or portions of Tax Map Key Nos. : (1) 5-6-01: 4, 23-25, 45-47,49,51,53-65, inclusive.

DLNR intends to select the bidder that best meets DLNR's selection criteria and will develop a project that satisfies DLNR's development objectives for the subject property. The selected bidder will enter into exclusive negotiations with DLNR of a lease to allow the development and management of the project.

The lease will include, at a minimum, the following terms and conditions:

Lease

Character of Use:	A mix of recreational cabins, tent sites, comfort stations, multi-purpose building, day use areas, other recreational amenities, parking.
Infrastructure:	To be completed by lessee at lessee's expense
Lease Term:	To be negotiated.
Annual Rent:	To be negotiated.

There will be an interested bidder briefing at **10:00 a.m. on September 13, 2004**, at which a DLNR staff member or members will explain DLNR's development objectives and the RFQ/RFP process, and answer questions from bidders. The meeting will be held in the Board Room at the Department of Land and Natural Resources, 1151 Punchbowl Street, Honolulu, Hawaii 96813. Attendance by any prospective bidder is encouraged, but is not required.

To be eligible for consideration, interested bidders must complete and submit an Application and Notice of Intent to Attn: Jim Springer, Property Manager, Division of State Parks, 1151 Punchbowl St. Room 310, Honolulu, Hawaii **by no later than 4:00 p.m., September 20, 2004**. Bidders that fail to submit a completed Application by this deadline will not be eligible to submit their qualifications and will not be considered for this project.

In addition to the Application and Notice of Intent, the RFQ/RFP will initially request the submittal of qualifications from interested bidders (the "RFQ"), which must be submitted **by no later than 4:00 p.m., November 1, 2004**. If, after DLNR's evaluation of the submitted qualifications, there is only one qualified bidder, DLNR and the qualified bidder will commence negotiations of the lease.

If the RFQ produces more than one qualified bidder, DLNR will proceed with a Request for Proposals (the "RFP") to solicit detailed development proposals from the qualified bidders. The RFP will require the qualified bidders to submit their respective plans, economic plans, and business plans, for their proposed projects. DLNR will then evaluate the proposals and select the bidder whose proposal best satisfies DLNR's development objectives and meets DLNR's evaluation criteria. The selected bidder and DLNR will then commence negotiations of the lease.

Additional deadlines and significant dates are set forth in the RFQ/RFP.

The complete package includes the Application and Notice of Intent form and the RFQ/RFP, copies of which may be obtained from DLNR at the following DLNR Division of State Parks' Offices:

Division of State Parks
1151 Punchbowl Street, Room 310, Honolulu, Oahu 96813

Hawai'i District State Parks Office
75 Aupuni Street, Room 204, Hilo, Hawai'i 96720

Maui District State Parks Office
54 S. High Street, Room 101 Wailuku, Maui 96793

Kauai District State Parks Office
3060 Eiwa Street, Room 306, Lihue, Kauai 96766

DLNR reserves the right to cancel the RFQ/RFP and reject any and all submittals when it is in the best interest of DLNR. Any inquiries may be directed to Jim Springer, Property Manager, at (808) 587-0296.

Any persons requiring a special accommodation (e.g., large print materials, sign language interpreters) are asked to contact Jim Springer at (808) 587-0296.

BOARD OF LAND AND NATURAL RESOURCES

Peter T. Young, Chairperson

APPLICATION AND NOTICE OF INTENT

MALAEKAHANA STATE RECREATION AREA DEVELOPMENT PROJECT REQUEST FOR QUALIFICATIONS / REQUEST FOR PROPOSALS ("RFQ / RFP")

Bidders interested in submitting qualifications and proposals in response to the RFQ/RFP for the MALAEKAHANA STATE RECREATION AREA (SRA) Development Project in Kahuku, Oahu, Hawaii must complete and submit this Application and Notice of Intent to: Attn: Jim Springer, Property Manager, Division of State Parks, 1151 Punchbowl St., Room 310, Honolulu, Hawaii 96813, **by no later than 4:00 p.m., September 20, 2004.** Bidders that fail to submit a completed Application by this deadline will not be eligible to submit their qualifications and will not be considered for this project.

Name of Applicant: _____

Mailing Address: _____

Contact Person and Title: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Type of Organization: _____

State or Country of Formation; and Date of Formation: _____

Registered to do business in Hawaii? If Yes, as of what date? _____

List the names, addresses and ownership interests of individuals or organizations with at least a 15% ownership interest in the Applicant: (attach separate page if necessary)

Name	Address	% Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

List all State of Hawaii leases, permits, licenses, easements, sales, etc. which the Applicant is or has been a party to, including as a partner, director, officer, shareholder, or LLC member: (attach separate page if necessary)

Doc. No.	Type of Agreement	Term of Agreement
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signature of Authorized Representative

Name/Title: _____

Date: _____

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I. INTRODUCTION

Background.

The State of Hawaii is the owner of approximately 109.8 acres of land known as Malaekahana State Recreation Area, on the island of Oahu. (**Attachment 1**). The Malaekahana State Recreation Area (SRA) presently consists of two separate but complementary sites that are not contiguous but border Kamehameha Highway on the mauka side and the ocean on the makai side. The Kahuku section, approximately 36.16 acres (**Attachment 2**), has recreational cabins and tent sites and is operated by a private non-profit group on a month-to-month revocable permit. The Kalanai section, approximately 73.71 acres (**Attachment 3**), is operated by DLNR, Division of State Parks, with tent camping sites, common area facilities such as comfort stations, improved parking, and water supply.

The State of Hawaii, Department of Land and Natural Resources ("DLNR"), believes that an investment in infrastructure and recreational facilities by a suitable development and management entity will result in a park resource that will be preserved and sustained for Hawaii's future. However, the State lacks the funds to construct the necessary infrastructure and develop the property on its own. Therefore, DLNR believes that such a project should be developed by a private bidder with the necessary development experience, financial capacity and operational management expertise.

At its regular meetings held on December 12, 2003, and July 30, 2004, the Board of Land and Natural Resources ("Board") authorized DLNR to issue, evaluate, accept and select a bidder through a Request for Qualifications and subsequent Request for Proposals ("RFQ/RFP").

Purpose.

The purpose of this RFQ/RFP is to select a qualified bidder to plan, design, permit, construct, and manage a master-planned project on approximately 109.8 acres of State-owned lands at Malaekahana (SRA) on the island of Oahu, Hawaii. DLNR intends to select the bidder that best meets DLNR's selection criteria and will develop a project that satisfies DLNR's objectives for the subject property.

The selected bidder will enter into exclusive negotiations with DLNR for a lease of the subject property, requiring the selected bidder to undertake the planning, design, permitting, construction, and management of a master-planned project, all at the bidder's expense.

Pursuant to the Board's approval and the requirements of Sections 171-59(a) and 184-3(6) of the Hawaii Revised Statutes, as amended, DLNR will publish this RFQ/RFP to solicit the submittal of qualifications from interested bidders. Interested bidders must submit a completed Application and Notice of Intent (see Page iii) and the required RFQ qualification information by the respective deadlines. If, after DLNR's evaluation of the submitted qualifications, there is only one qualified bidder, DLNR and the qualified bidder will commence lease negotiations.

If the RFQ produces more than one qualified bidder, DLNR will issue an RFP to solicit detailed development and operational proposals from the qualified bidders. The RFP will require the qualified bidders to submit their respective construction plans, economic plans, and business plans, for their proposed projects. DLNR will then evaluate the proposals and select the bidder whose proposal best satisfies DLNR's development and operational objectives and

meets DLNR's evaluation criteria as well as the desires of the community. The selected bidder and DLNR will then commence lease negotiations.

Subject Property.

The subject property consists of approximately 109.8 acres of Government lands situated at Malaekahana (SRA) Oahu, and are all, or portions of, Tax Map Key Nos. : (1) 5-6-01: 4, 23, 24, 45-47, 49, 51, 53 to 65, inclusive (see **Attachment 1**). The property is bounded by the Pacific Ocean on the makai side, with Kamehameha Highway on the makai side. The Kahuku and Kalanai sections are separated by an older residential beachfront area.

*Exclusions from Subject Property. Mokuauia, Kihewamoku and Pulemoku Islands are owned by the State and have been designated as bird sanctuaries. Jurisdiction of these islands are with the State's Division of Forestry and Wildlife.

Significant Dates

Advertisement of RFQ/RFP	August 24,26,28 2004
Bidder Briefing in Honolulu	September 13,2004
Deadline for Submitting Application and Notice of Intent	September 20, 2004
Deadline for Submitting Qualifications (Responding to RFQ)	November 1, 2004
Evaluation Committee's Determination of Qualified Bidders*	November 15, 2004*
Notify Qualified Bidders of RFP*	November 17, 2004*
Deadline for Submitting Proposals (Responding to RFP)*	December 17, 2004*
Evaluation Committee's Selection of Bidder*	January 10, 2005*
Land Board Approval of Selected Bidder*	January 28, 2005*

*These dates are estimated dates and are subject to change by DLNR in its sole discretion.

Issuing Office and Contact Person

This RFQ/RFP is issued by DLNR, Division of State Parks. All communications with DLNR shall be directed to the DLNR Contact Person named below. Any information provided to, or received from, anyone other than the Contact Person shall not be relied upon in connection with this RFQ/RFP.

Jim Springer, Property Manager
Department of Land and Natural Resources, Division of State Parks
1151 Punchbowl Street, Room 310
Honolulu, Hawaii 96813
Phone: (808) 587-0296

State Parks District Offices

State Park District Office addresses are:

Oahu District Parks Office (Division Office)
1151 Punchbowl Street, Room 310, Honolulu, Oahu 96813

Hawai'i District Parks Office
75 Aupuni Street, Room 204 , Hilo, Hawai'i 96720

Maui District Parks Office
54 S. High Street, #101, Wailuku, Maui 96793

Kauai District Parks Office
3060 Eiwa Street, Room 306, Lihue, Kauai 96766

II. AUTHORITY

At its regular meetings held on December 12, 2003, and July 30, 2004, the Board of Land and Natural Resources ("Board") approved Agenda Item E-2 and E-3, above respectively, which authorized DLNR to perform the following, pursuant to Sections 171-59(a) and 184-3(6) of the Hawaii Revised Statutes, as amended:

- Issue this RFQ/RFP;
- Negotiate a lease with the selected bidder for the subject property;

A copy of the Board's approvals are provided as **Attachment 4**, and bidders are responsible for reading and understanding the information contained in this document.

III. DEVELOPMENT OBJECTIVES

DLNR's development objectives call for DLNR to enter into a lease for the development of a master planned project on the subject property that:

- Will be undertaken by a qualified bidder that will bear all of the costs of the development.
- Utilize a Park development plan for both the Kahuku and Kalanai sections that identifies areas for the maximum build out of particular recreational uses and activities.
- Replace and develop Park infrastructure, such as the wastewater system, electrical power, water system, roadways, parking, recreational cabins, and campsites, consistent with the development plan.
- Integrates the proposed infrastructure improvements and Park facilities and provides for the orderly development of the subject property in a timely manner.
- Is economically feasible to both the bidder/lessee and DLNR/lessor.
- Provides public benefits such as, but not limited to, parking and access to the beach from defined areas within both the Kahuku and Kalanai sections under lease to the Concessionnaire.
- Is sensitive to the environment, cultural resources, and the needs of the community.
- Is aesthetically pleasing and enhances the naturalness and open space of the coastal lands.

These are general development objectives and DLNR encourages private bidders to create their own development concept, mix of recreational cabins, tent sites and other recreational amenities, roads/access paths and design standards for the project. By allowing greater creativity and flexibility, it is hoped that bidders will be better able to design construct and operate a feasible project that is consistent with, and will satisfy DLNR's development objectives. An overview of the Development Plan, of the Kahuku section only, completed by the State can be reviewed in **Attachment 6**. Upon request, a complete Development Plan of the Kahuku Section may be furnished to prospective bidders.

IV. SELECTED BIDDER'S OBLIGATIONS

The bidder selected as a result of this RFQ/RFP shall be required to develop a proposed master plan for the project, and subsequently undertake the ongoing management of the project. The bidder's obligations shall be set forth in the lease. The terms and conditions shall be subject to negotiation with DLNR, but shall include, at a minimum, the following obligations:

General Obligations

The bidder selected as a result of this RFQ/RFP shall perform the following in connection with its development of its plan, all at its sole expense:

- All predevelopment duties, including site investigations and other due diligence activities, planning and designing the project, preparing and processing the necessary environmental impact statements and permits, and obtaining required land use entitlements and government approvals.
- Development and construction of the project, including construction of both on-site and off-site improvements (infrastructure and all other improvements) in accordance with applicable State, City and County and Federal standards and requirements.
- Operation and management of the project, including performing, marketing, management, and maintenance functions.
- Bidder at its own cost and expense shall observe, perform and comply with all laws, ordinances, rules and regulations of all governmental authorities now or hereafter enacted or adopted as it relates to this RFQ/RFP and Lease.
- In furtherance of the goal to accommodate recreational needs of the community, the selected bidder shall participate in bi-annual meetings with a committee designated by the DLNR Chairperson to solicit community input regarding the project's impact on the community.

Master Plan

The bidder shall develop and subsequently manage its proposed master plan project for the subject property.

The plan shall include all recreational amenities such as cabins and planned tent sites and the required infrastructure to support the proposed uses. Other permitted uses include retail, historical, and cultural uses. The plan shall provide sufficient parking to support the proposed project uses.

The State's development plan shall be used as a guideline for the Kahuku section and the bidder shall complete a similar master plan for the Kalanai section. The completed project shall preserve and enhance the existing natural open space and rustic ambiance.

- Four public information meetings were held in 2003 and 2004 to solicit the community's input regarding the types of land uses and recreational needs the community preferred for the subject property. Summaries of these meetings are provided as **Attachment 5**.

The bidder shall use reasonable efforts to coordinate its plan with the neighboring communities.

Due Diligence

DLNR makes no representations regarding the condition of the subject property or the suitability of the site for any development proposed by any interested bidder. The bidder shall, at its cost, be responsible for conducting its own investigations and due diligence regarding the subject property.

Environmental Assessments and Environmental Impact Statements

The bidder shall, at its cost, prepare and process any environmental assessments and environmental impact statements as required by Chapter 343, Hawaii Revised Statutes.

Land Use Entitlements and Permits

The bidder shall, at its cost, obtain all land use entitlements and government permits/approvals necessary to construct the bidder's plan.

Subdivision

Prior to issuance of the lease, a consolidation/resubdivision may be required to create a legally subdivided lot or lots of record. The bidder shall, at its own cost, obtain any such subdivision approval from the City & County of Honolulu.

Infrastructure

The lessee shall, at its own cost, design and construct all roadways, parking, access routes and electrical systems, domestic water, wastewater, and fire protection and any other infrastructure necessary for the project to be in compliance with Federal, State and County requirements.

Management / Operations

The bidder shall, at its cost, be responsible for the operations and management of the project, including all marketing, management, and maintenance functions.

Fees/Costs

The bidder shall pay all charges required by law and all costs incurred by DLNR in connection with the preparation and processing of this RFQ/RFP, including but not limited to the cost of preparing any and all agreements, lease, survey maps and descriptions, publication fees for this RFQ/RFP, appraisal fees, conveyance taxes, and recordation fees.

V. LEASE

The bidder selected as a result of this RFQ/RFP will enter negotiations with DLNR for a lease of the subject property.

The terms of this lease are to be negotiated, but will be subject to the following terms and conditions to be approved by the Board of Land and Natural Resources ("Board"), as well as the bidders obligations set forth in Section IV above.

Lease

Character of Use:	Master-planned development project with a mix of recreational cabins, tent sites, comfort stations, day use areas to include picnic areas, parking and other recreational amenities and support services.
Land Use Entitlements:	The lessee shall be responsible for obtaining all land use entitlements, permits and approvals necessary to implement the master plan and shall comply with all terms and conditions imposed under such entitlements, permits, and approvals.
Lease Term:	To be negotiated.
Annual Rent:	To be determined by independent appraisal, subject to review and approval by the Board. (The actual rent terms shall be negotiated, but will also be subject to an independent appraisal to ensure a fair return to the State).
Required Improvements:	To be determined, subject to review/approval by the Board.

VI. REQUEST FOR QUALIFICATIONS ("RFQ")

Introduction

DLNR is seeking a private bidder to develop and manage a master planned project on the subject property that will satisfy DLNR's development objectives. The development of this project will require a bidder with substantial experience and financial ability to invest capital in a long term commitment.

The purpose of this RFQ is to solicit the qualifications of interested bidders. DLNR's review and evaluation of potential bidders' qualifications will help ensure that the selected bidder has the experience, expertise and financial capability to successfully undertake a long-range development project.

If, after DLNR's evaluation of the submitted qualifications, there is only one qualified bidder, DLNR and the selected bidder will commence negotiations for the lease. However, if this RFQ produces more than one qualified bidder, DLNR will request the qualified bidders to submit their respective proposals in accordance with the Request for Proposals ("RFP") requirements set forth in Section VII of this RFQ/RFP, and the bidder will be selected pursuant to the procedures and criteria set forth in said Section VII.

Bidder Briefing

There will be a briefing meeting at **10:00 a.m. on September 13, 2004**, at which a DLNR staff member or members will explain DLNR's development objectives and this RFQ/RFP process, and answer questions from bidders. The meeting will be held in the Board Room at the Department of Land and Natural Resources, 1151 Punchbowl Street, Honolulu, Hawaii 96813. Attendance by any prospective bidder or a development team principal is encouraged, but is not required.

Application and Notice of Intent

Prospective bidders must submit a completed Application and Notice of Intent (see Page iii) to DLNR's Division of State Parks by no later than **4:00 p.m. on September 20, 2004**. Bidders that fail to submit a completed Application and Notice of Intent by the required deadline will not be eligible to submit their qualifications and will not be considered for this project.

RFQ Submittal Requirements

Bidders responding to this RFQ shall submit fifteen (15) copies of the following information and materials. The information shall be organized in a manner that is consistent with the headings and sequence presented below.

1. Cover Letter. Submit a cover letter on the bidder's letterhead addressed to DLNR and signed by an authorized representative of the bidder.
2. Preliminary Plan. Provide a preliminary conceptual plan for a master planned recreational project to be developed on the subject property. The plan shall include a mix of recreational cabins, tent sites, comfort stations, day use areas, including picnic areas, parking and other recreational amenities not to exceed the level of use shown on the State's development plan for the park. Other permitted uses include retail, historical, and cultural uses. Provide a conceptual site plan that shows the approximate locations, configuration, and sizing of the proposed

project components (indicate estimated acreages for each component), and provide a narrative description of the proposed plan and project components.

The primary purpose of the preliminary master plan is to inform DLNR of the bidder's proposed project components to allow DLNR to evaluate the bidder's and its development team's experience and expertise as it relates to the proposed project components. If this RFQ produces only one qualified bidder, the final plan will be part of the negotiations between the qualified bidder and DLNR. If this RFQ produces more than one qualified bidder, the qualified bidders will be required to submit a more detailed plan as part of their responses to the RFP portion of this RFQ/RFP.

In developing its preliminary master plan, the bidder should be aware that there may be certain laws and restrictions governing the use of public lands. The RFP portion of this RFQ/RFP, if necessary, will require the bidder to indicate that the different components of the plan comport with the laws governing public lands. In developing a preliminary master plan, bidders should review the RFP requirements in Section VII regarding the master plan and modifications from the preliminary master plan.

3. Development and Management Team. Identify the bidder and members of its development team, including major consultants, joint venture or limited partners, and legal counsel. Include members that may be added to the development team in the future to develop or manage certain project components, and describe the arrangement or commitment, if any, between the bidder and the projected future members.
4. Entity and Ownership Interests. Identify the type of legal entity with whom DLNR would enter into a long-term lease, including the respective percentage ownership interest for each member of the development team and the amount of capital/equity committed to the entity.
5. Organization. Describe the management organization of the bidder and development team, and the role and responsibilities of each member of the development team as they relate to the implementation (predevelopment functions, development/construction, and ongoing operations/management) of the bidder's proposal.
6. Contact Person/Negotiator. Identify the lead negotiator for the bidder and any limitations to his/her authority to contractually bind the bidder in negotiations.
7. Development Experience. Describe previous experience of the bidder and its development team members relevant to the development of the proposed plan, including but not limited to land use entitlements/permitting, financing, design, and construction. Provide descriptions of other projects with similar uses or components, including locations, dates, photographs, project size, land uses, construction costs, roles of the bidder and development team members, success of the project, etc.
8. Management Experience. Describe previous experience of the bidder and its development team members in the ongoing operation and management of other projects or facilities with uses similar to those described in the proposed master plan. Provide descriptions of other projects, including locations, dates, photographs, land uses, size of the facilities, roles of the bidder and development team members, success of the project, etc.

9. Financial Capacity. Provide satisfactory evidence to support the financial ability of the bidder to implement the bidder's proposal. Minimum requirements include financial statements and Federal tax returns for the past three fiscal years, current credit report, status and timing of the bidder's current financial commitments, evidence of capital resources, and description of any litigation or other disputes having a potential adverse effect on the bidder's financial capability.
10. References. Provide references whom DLNR may contact to confirm the bidder's and development team members' qualifications. Provide names, contact information, and the relationship or experience with each reference.

RFQ Submittal Deadline

Responses to this RFQ must be delivered to DLNR's Division of State Parks by no later than **4:00 p.m. November 1, 2004**. Except for information requested by DLNR, any information submitted after this deadline, including any changes or modifications to the bidder's qualifications or development team, will not be considered. The address of DLNR's Division of State Parks Office is provided in Section I above.

Evaluation Procedures

1. Preliminary Review. Upon receipt of the bidder qualifications, DLNR staff will conduct a preliminary review of the submitted information for adequacy and completeness. If the submitted information is incomplete, DLNR staff may, in its sole discretion, disqualify the bidder and its submittal from further review and consideration. However, DLNR reserves the right to waive any defects in any of the responses and may permit the timely correction of errors contained in them. DLNR may also request additional information for the purpose of clarification.
2. Substantive Review. The responses that have been determined to be adequate and complete shall undergo a substantive review and evaluation by an evaluation committee appointed by the Chairperson in which the submitted information will be evaluated based on the evaluation criteria below. The evaluation committee shall determine the qualified bidders, and all applicants will be notified of the determination.

Interviews of the bidder and its development team may be required by DLNR or the evaluation committee as part of the substantive review.

3. Board Approval. If the RFQ process produces only one qualified bidder, DLNR staff shall request the Board's approval of the evaluation committee's selection of the bidder. DLNR may require the bidder to provide additional information regarding its development proposal, including but not limited to, a detailed plan, economic plan, and business plan, which may be taken into consideration by the Board in connection with its approval of the bidder.
4. Negotiations of RFP. If the RFQ process produces only one qualified bidder, DLNR shall commence negotiations of the lease with that bidder (see Section VIII regarding exclusive negotiations). If the RFQ process produces more than one qualified bidder, DLNR will proceed with the Request for Proposal portion of this RFQ/RFP (see Section VII).

Evaluation Criteria

The evaluation committee shall evaluate the bidder's qualifications based on the following criteria:

- Ability to work with community organizations and local residents to implement a plan for natural resource preservation and conservation of the project environment. Provide verifiable documentation of previous projects where this was an important element.
- Prior experience in successfully developing master planned projects similar in size and scope as the bidder's proposed master planned project.
- Prior experience in successfully obtaining land use entitlements and government approvals necessary to implement the bidder's proposed master plan.
- The financial capability of the bidder to implement its proposed master plan, including the developer's credit-worthiness and ability to secure equity and debt financing.

VII. REQUEST FOR PROPOSALS ("RFP")

Introduction

If the RFQ process produces more than one qualified bidder, DLNR will request the qualified bidders to submit their respective development proposals in accordance with this Request for Proposals ("RFP") section.

The development proposals shall include the bidder's development plan, economic plan, and business plan, and DLNR shall evaluate the proposals and select the bidder whose proposal best satisfies DLNR's development objectives and meets DLNR's evaluation criteria. The selected bidder and DLNR will then commence negotiations for the lease.

Bidder Briefing

DLNR may, but shall not be required, to hold a briefing to explain the RFP portion of this RFQ/RFP and to answer questions from the bidder. DLNR will notify all qualified bidders of any such briefing.

Submittal Requirements for Development Proposals

The qualified bidders responding to this RFP shall submit fifteen (15) copies of its development proposal, which shall include, at a minimum, the information and materials listed below. The development proposal shall be organized in a manner that is consistent with the headings and sequence presented below.

1. Cover Letter. Submit a cover letter on the bidder's letterhead addressed to DLNR and signed by an authorized representative of the bidder.
2. Executive Summary. Provide an executive summary of the critical aspects of the development proposal.
3. Master Plan.

Provide a conceptual master plan of the Kahuku Section for a project to be developed on the subject property. The master plan shall include a minimum mix of 5 recreational cabins (6 persons per cabin) 38 tent camp sites (10 persons per camp site), multi-purpose building, staff quarters building, check-in structure, comfort stations, day use areas including picnic areas, roads, access paths, and other recreational amenities with design standards for the project. Other permitted uses include retail, historical and cultural uses. The master plan shall include sufficient parking to support the proposed project uses.

Provide a conceptual master plan of the Kalanai Section for a project to be developed on the subject property. The master plan shall include a minimum of 37 tent camp sites (10 persons per camp site), comfort stations and 3 shower areas, roads, access paths, public picnic areas and other recreational amenities with design standards for the project. Other permitted uses include retail, historical and cultural uses. The master plan shall include sufficient expanded parking and sanitary facilities to support the proposed project uses.

The following shall be provided:

- a. Site Plan. Provide a conceptual site plan of the proposed development project showing the location, configuration, and approximate sizing of the various project components and roadways, and the relationship of the different components and roadways with each other, open spaces, and the proposed public improvements (provide three full size copies, scale no smaller than 1"=200'; and 10 half-size copies).
- b. Narrative Description. Provide a narrative description of the development plan, including descriptions of the project components, the size of the components, an outline of the development program and phases, if any, and statements indicating how the master plan satisfies DLNR's development objectives, statements indicating that each component is in compliance with the use of public lands, and descriptions of the benefits to the State and the general public as a result of the development.
- c. Illustrations. Provide colored renderings of the proposed coastal, recreational and open space development, illustrating its character, scale, and the relationship of the various project components to each other, with views of the project from the shoreline.
- d. Other. Provide any other information, plans, illustrations that would assist DLNR in visualizing the proposed master plan.
- e. Modifications from Preliminary Plan. If the master plan differs from the preliminary master plan submitted in response to the RFQ portion of this RFQ/RFP, the bidder must also explain the reason for the differences. If the master plan contains project components that were not included in the preliminary master plan or a significant change is made to the size or character of a particular project component, the bidder shall also provide additional information to evidence the bidder's or development team's qualifications regarding such new or modified project component. The information shall be similar to the type and level of detail provided in response to the RFQ portion of this RFQ/RFP for project components contained in the preliminary master plan.

If the evaluation committee, in its sole discretion, determines that the bidder does not possess the necessary experience with respect to such new or modified project component(s), DLNR may deem the bidder unqualified to participate in the RFP process or may take such factors into consideration in evaluating the bidder's proposal.

4. Economic Proposal. Provide proposed ground lease rent, fees, and terms that the bidder believes are both feasible and appropriate for the bidder's proposal. Such proposal shall include any lease rent or discounts or other terms or conditions that the bidder believes are necessary or reasonable in consideration for the bidder's implementing its master plan, including the bidder providing, maintaining, and/or managing any proposed public uses, improvements or facilities.

The information shall be for the entire master planned project, but if certain terms and conditions are applicable to only a certain portion, phase, or component of the project, then a breakdown of such terms and conditions as they relate to that particular portion, phase or component shall be provided separately.

The economic proposal shall be specific and shall include, at a minimum, the following:

- a. Lease Terms and Conditions. Describe the proposed commencement of the lease in relation to the bidder's proposed development schedule. Identify which predevelopment events, if any, must occur prior to commencement of the lease and which events, if any, must be preceded by the execution of the lease. Describe any other critical lease terms and conditions, and the bidder's rationale for such terms and conditions.
 - b. Lease Rent. Describe the proposed lease rent terms/payments for: (i) the period from execution of the lease to commencement of construction; (ii) during construction; and (iii) following project completion. Include proposed guaranteed minimum annual base rent, percentage rent based on gross revenues, lease premiums, and participation in any net cash flow or refinance proceeds.
 - c. Rent Adjustments and Re-openings. Describe the proposed fixed rent periods, periodic readjustments to lease rent and fees and adjustment formulas, rent re-openings, and other pertinent terms.
 - d. Lease Rent Discounts, Credits and Offsets. Describe any proposed lease rent and fee discounts, credits, offsets, or incentives for providing, maintaining and/or managing any public uses, improvements, or facilities. Include a detailed narrative and quantitative justification for each proposed discount, credit, offset, or incentive.
 - e. Fair Market Rent. Provide evidence to support the relationship between the bidder's proposed lease terms (including the lease rent, terms, conditions, payments, discounts, credits, etc.) and the fair market rent for the property, and explain how the bidder's proposed lease terms provides the State with a fair return on its lands.
5. Business Plan. The required business plan shall specify all of the major elements necessary to implement the development proposal and should

be developed to a level of detail appropriate for preliminary funding commitments for the entire master planned project.

The business plan should include, at a minimum, the following:

- a. Development Schedule. Outline the proposed development schedule and project phasing, if any, (including realistic start and completion dates), and highlight any events that are critical to the timely completion of the project.

The development schedule should include items such as the negotiation period with DLNR, due diligence, environmental impact statements, land use entitlements and permitting, design and construction, to include a project completion date.

- b. Construction Cost Estimates. Provide construction cost estimates for the entire project with a breakdown of each project component. Construction cost estimates should include all hard and soft costs, and account for cost escalations. The cost estimates should be itemized by categories such as land or site preparation, building construction, consultant fees, design fees, EIS costs, entitlement and permitting fees, landscaping, financing costs, marketing costs, operating costs, profits, etc.
- c. Financial Pro Forma. Provide pro forma financial projections for the entire project with a breakdown of each project component, including cash flow and operating income/expense projections for the predevelopment stage, the construction period, and for the first ten (10) years of operation after full build-out. The pro forma projections should also clearly show gross revenues, operating expenses, vacancies, reserves, debt service, net operating income, profits, and total lease payments (base and percentage) to DLNR.

Clearly indicate estimated gross revenues from all revenue producing facilities. The projections should also show lease rent and payments to DLNR and any proposed rental credits, offsets, or incentives.

- d. Financing Strategy and Preliminary Commitments. Describe the bidder's proposed financing plan for the entire project. Describe, to the extent possible, the bidder's estimates of equity requirements and construction and takeout financing, and the bidder's proposed source of funds.

Provide examples of financial approaches and lenders used for similar projects.

Provide letters from prospective lenders and equity partners indicating their concurrence with the proposed development program and intent to issue a contingent financing commitment.

- e. Marketing Plan. Provide a marketing plan that shows how the bidder intends to implement the proposed development program to achieve the proposed financial results.

Provide evidence of business relationships that make implementing the marketing plan feasible.

- f. Method of Operation. Describe the proposed method of operation for the project. Explain the role of the lessee. To the extent possible at this time, describe the planned operations for the proposed project uses.

Submittal Deadline

The estimated submittal deadline is provided in Section I (Significant Dates), but is subject to change in DLNR's sole discretion. Except for information requested by DLNR, information submitted after the submittal deadline, including modifications to the bidder's proposal, will not be considered.

Proposals not selected by DLNR for exclusive negotiations shall automatically expire upon the execution of the development agreement, unless withdrawn in writing earlier by the bidder.

Evaluation Procedures

1. Preliminary Review. Upon receipt of a development proposal, DLNR staff will conduct a preliminary review of the submitted information for adequacy and completeness. If the submitted information is incomplete, DLNR staff may, in its sole discretion, disqualify the bidder from consideration. However, DLNR reserves the right to waive any defects in any of the responses and may permit the timely correction of errors contained in them. DLNR may also request additional information for the purpose of clarification.
2. Substantive Review. An evaluation committee appointed by the Chairperson will review the development proposals based on the evaluation criteria developed for this RFQ/RFP. DLNR reserves the right to select an evaluation committee that consists of different members than the evaluation committee for the RFQ portion of this RFQ/RFP.

Interviews of the bidder and its development team may be required by DLNR or the evaluation committee as part of the substantive review.

The evaluation committee shall select the most qualified bidder, and all qualified bidders that submitted development proposals will be notified of the selection.

3. Board Approval. DLNR staff will present the evaluation of the development proposals to the Board of Land and Natural Resources ("Board") and request the Board's approval of the evaluation committee's selection of the most qualified bidder.
4. Negotiations. DLNR shall commence negotiations with the selected bidder of the development agreement and lease. (see Section VIII).

Evaluation Criteria

The evaluation committee shall evaluate the development proposals submitted to this RFP and shall select the bidder that best meets the following criteria in the sole judgment of the evaluation committee.

Plan

- Degree to which the master plan and development program meet DLNR's development objectives.

- How well the plan provides for and benefits residents.
- Recreational and cultural facilities and programs benefiting the general public.

Economic Proposal

- Reasonableness and economic viability of the economic proposal.
- Financial returns to the State.

Business Plan

- Organization of the business plan and demonstrated understanding of requirements necessary to implement the development proposal.
- Market and financial feasibility of the development proposal.
- Feasibility of the proposed development schedule.
-
- Financing strategy and ability to finance the development proposal.

VI. OTHER TERMS AND CONDITIONS

Exclusive Negotiations

DLNR will enter into exclusive negotiations with the selected bidder. During exclusive negotiations, DLNR and the selected bidder will negotiate in good faith a development agreement, lease, and setting forth the terms and conditions under which DLNR will make available the subject property to the bidder and the rights and obligations of each party with respect to the development of the bidder's plan.

The exclusive negotiations will be for a six (6) month period and will be based upon the development proposal submitted by the bidder. If the development agreement and lease are not executed by the expiration of the exclusive negotiation period, all rights of the bidder to negotiate such agreements shall terminate, provided, however, that DLNR may, in its sole discretion, extend the negotiation period by written notice to the bidder for up to an additional six (6) months.

Upon the expiration of the exclusive negotiation period, this RFQ/RFP process shall terminate and no rights to negotiate any development agreement or lease shall accrue to any other applicant or bidder.

DLNR reserves the right, after selection of a bidder, to negotiate any additional terms, conditions or modifications, to the terms set forth in this RFQ/RFP or to the bidder's proposal (including its plan) if it is in DLNR's best interest to do so.

DLNR Discretion, Non-Liability, and Waivers

The bidder, by submitting a response to this RFQ/RFP, waives all rights to protest or seek legal remedies whatsoever regarding any aspect of this RFQ/RFP. DLNR reserves the right to issue written notice to all bidders of any changes in the selection schedule should the DLNR determine in its sole and absolute discretion, that such changes are necessary.

Title to Property

The project area is Section 5(b) lands under the Hawaii Admissions Act. DLNR makes no warranty or representation to prospective bidders with respect to the status of title to the project area at this time. However, it is anticipated that subsequent to the selection of a bidder, any potential concerns over title will be addressed.

Cancellation of RFQ/RFP and Rejection of Responses

DLNR reserves the right to cancel this RFQ and/or RFP, re-advertise for new proposals, reject any and all responses in whole or in part, or require amendments or modifications to the responses with no liability whatsoever, when it is in DLNR's or public's best interest to do so. DLNR also reserves the right to amend requirements and materials, in writing, at any time prior to the submission deadline. The information contained in this RFQ/RFP is believed to be reliable, but cannot be guaranteed.

Any and all information submitted in response to this RFQ/RFP shall be retained by DLNR and shall not be returned to the applicant.

ATTACHMENTS

Attachment 1: Map of Malaekahana SRA

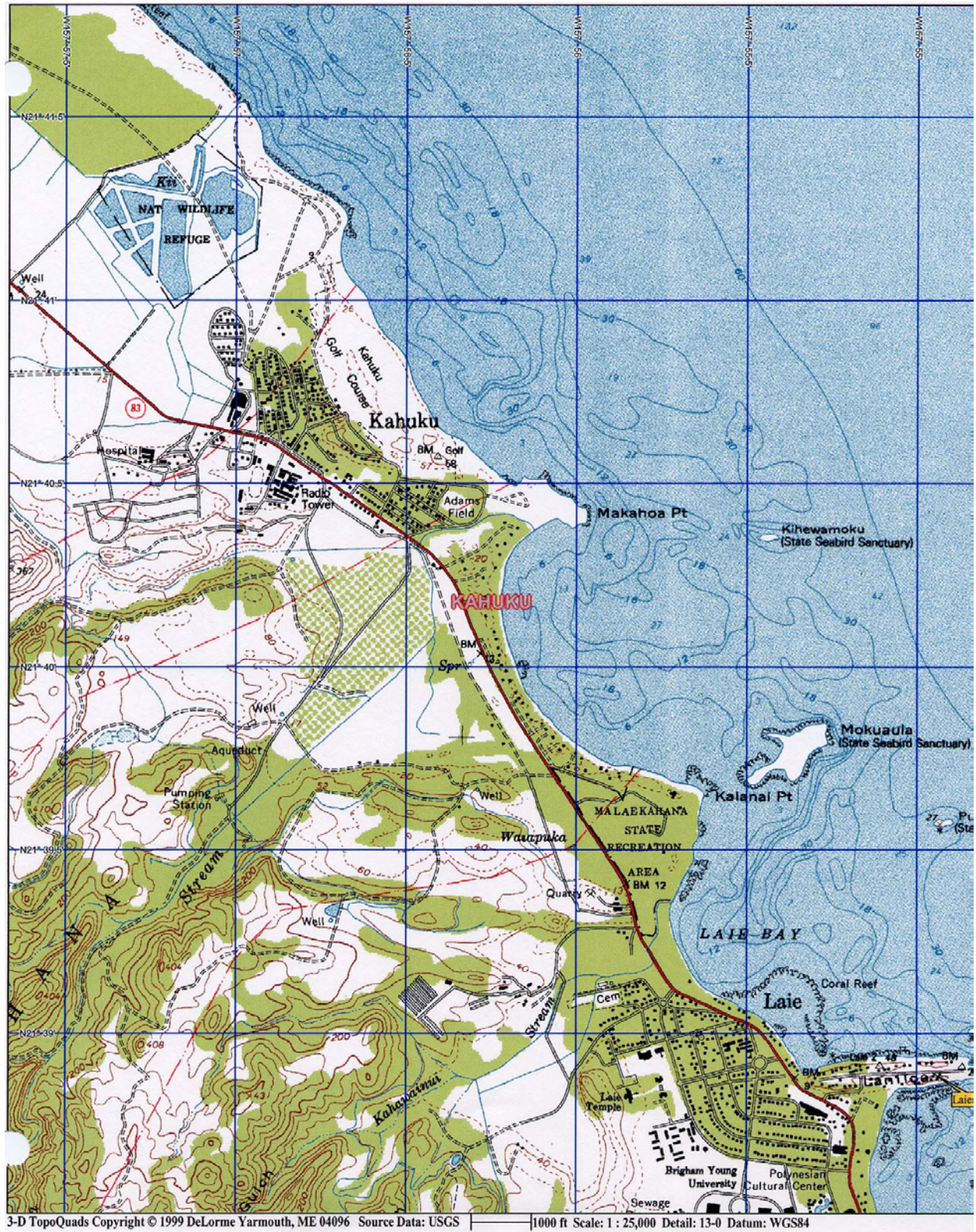
Attachment 2: Malaekahana SRA, Kahuku Section

Attachment 3: Malaekahana SRA, Kalanai Section

Attachment 4: Land Board Approvals dated December 12, 2003 (Agenda Item E-2) and July 30, 2004 (Agenda Item E-3)

Attachment 5: Summary of Public Information Meetings and Community Input

Attachment 6: Malaekahana SRA Development Plan, Kahuku Section – Preferred Alternative

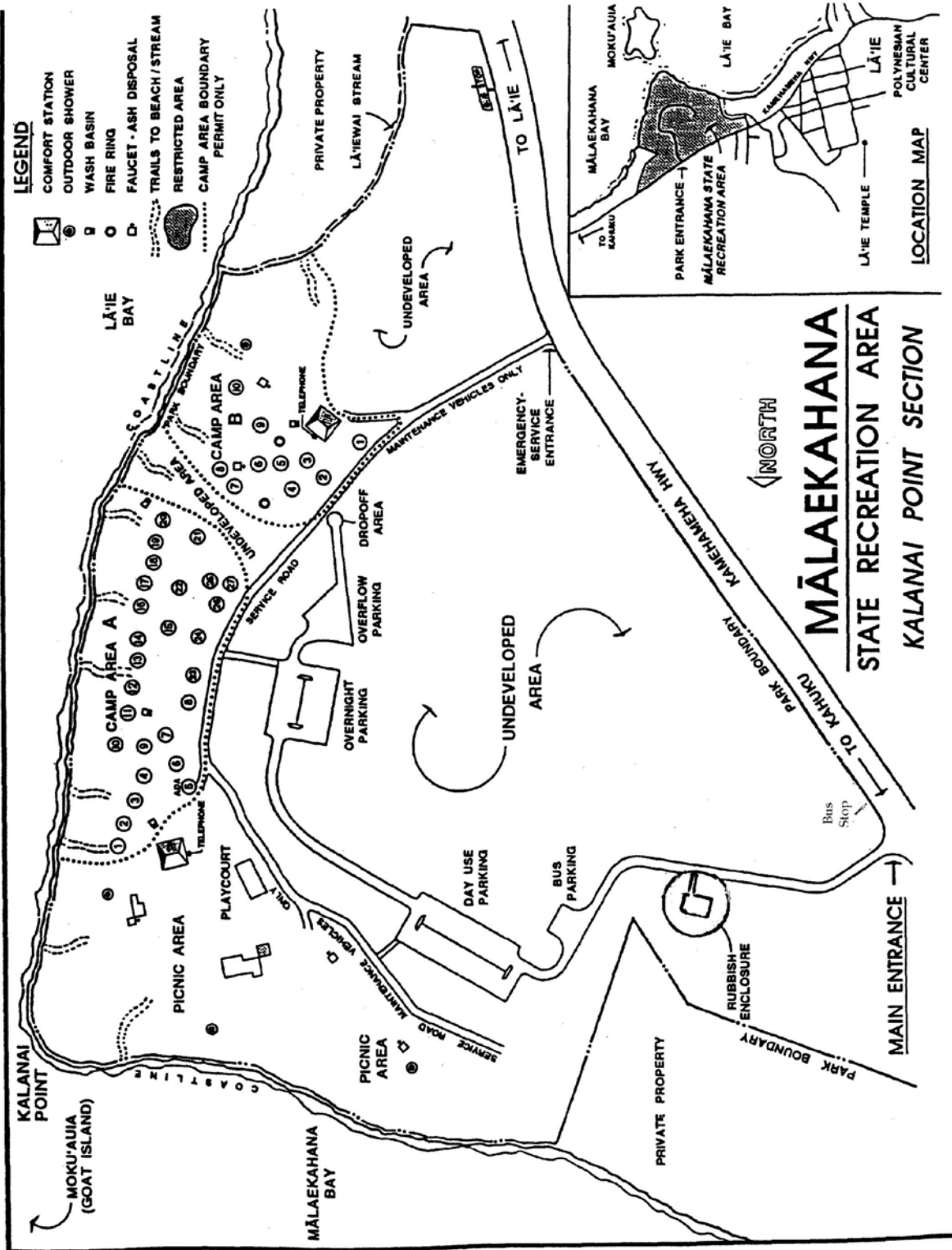


Map of Malaekahana SRA. Kahuku Section and Kalanai Section.



Malaekahana SRA, Kahuku Section.

Attachment 3



Malaekahana SRA, Kalanai Section.

STATE OF HAWAII
Department of Land and Natural Resources
Division of State Parks
Park Planning Branch
Honolulu, Hawaii

December 12, 2003

Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Subject: Approval to Issue, Evaluate, Accept and Select a Request for Qualifications/Request for Proposals to Develop, Operate, and Maintain Public Recreational Facilities at Mālaekahana State Recreation Area, Lā'ie, O'ahu

Request:

To authorize the Chairperson to find an Offeror to develop, operate, and maintain public recreational facilities and programs under a lease with the State that is directly negotiated, for Mālaekahana State Recreation Area (SRA). The intent is to focus on the Kahuku Section, and to be open to offers which include the Kalanai Section of the park. This authorization will include: (i) appointing members to an evaluation committee that will establish the criteria to evaluate the proposals and to select an Offeror; (ii) issuing a Request for Qualifications/Request for Proposals (RFQ/RFP) pursuant to section 171-59(a), Hawai'i Revised Statutes (HRS), for the selection of an Offeror; (iii) accepting and evaluating proposals submitted by prospective Offerors; and (iv) selecting the best Offeror.

Applicant:

Division of State Parks, Department of Land and Natural Resources.

Legal Reference:

Sections 171-6, 16, 17, 35, 36, 59 and other applicable sections of chapter 171, HRS, as amended.

Location:

Portion of government lands situated at Lā'ie, O'ahu identified by Tax Map Key: (1) 5-6-01: 24, 25, 45, 46, 47, 49, 51, 53-65 and may also include 5-6-01: 04, shown as Exhibit A.

Area:

Approximately 110+ acres.

Zoning:

Land Use Commission District Designation is Urban; City and County of Honolulu zoning is R-5 Residential.

Current use status:

The Kalanai section, comprised of 73+ acres, is operated and maintained by the Division of State Parks.

The Kahuku section, comprised of 36+ acres, is under a month-to-month revocable permit (R.P. no. SP-01) to the Friends of Mālaekahana dba Lanihuli Community Development Corporation.

Statutory Authority: (relevant sections of the Hawai'i Revised Statutes are attached as Exhibit B).

Lease by direct negotiation, section 171-59(a) provides for a lease of public land by negotiation if the Board finds that the public interest demands it.

Chapter 343, HRS, on Environmental Impact Statements

The subject action for the Board's consideration is to authorize the Chairperson to issue a Request for Qualifications/Request for Proposals to select an Offeror and to negotiate a new lease. The action does not establish the use of state lands or funds and therefore is exempt from the requirements of Chapter 343, HRS. Compliance with the provisions of Chapter 343, will be required of the Offeror via a condition in the lease agreement.

Character of use:

Development of public recreational facilities and programs with commercial components that are consistent with the concepts of a master plan being developed by the State.

Land Use Approvals:

The Offeror is responsible for obtaining all land use permits and approvals necessary to carry out the project implementation plan.

Lease Terms and Conditions:

To be negotiated.

Request for Qualifications/Request for Proposals:

Staff is requesting that the Board authorize the Chairperson to appoint an evaluation committee to establish the evaluation criteria, issue the RFQ/RFP, evaluate the proposals and to select an Offeror. Exhibit C illustrates the RFQ/RFP process. Staff anticipates that the criteria for selection will include, at a minimum, the following:

1. Infrastructure - a conceptual level drawing showing all infrastructure to be provided by the Offeror and any infrastructure proposed to be provided by the State. The

infrastructure shall include, but not be limited to, utility lines, roadway alignments, and parking areas.

2. Landscaping Plan - A conceptual landscaping plan to utilize native plants and create buffer zones segregating the various “use” areas to provide a sense of privacy/security for park users.
3. Park Layout Plan - An overall conceptual plan of the park layout which shall be based on the plan furnished by the State and may be revised to a certain degree, if necessary. The overall plan should include, but not be limited to, showing an overall plan view of all features, including structures, tent camping areas, trails, roadways, walkways, and parking areas.
4. Maintenance Plan - Landscaping, routine and preventive maintenance for the Park and equipment.
5. Financial Plan for operating the park, including proposed budget, revenue, and expenditure controls, description of the annual financing payments to the State or financial contribution from the State, and proposed revenue opportunities and revenue sharing arrangements with the State as well as cultural and recreational programs.
6. Income opportunities to support park operations, including cabin and campsite rental fees and other recreational services to be provided in conjunction with the rental activities.
7. Security Plan to include appropriate level of security procedures to protect the park, employees, and park users.
8. Marketing Plan for the promotion and marketing of the park and recreational facilities.
9. Proposed schedule for implementation.

RECOMMENDATION:

1. To find that it is in the public’s interest to negotiate to find an Offeror to develop, operate, and maintain public recreational facilities and programs for Mālaekahana State Recreation Area (SRA).
2. Authorize the Chairperson to do the following:
 - (i) appoint members to an evaluation committee that will establish the criteria to evaluate the proposals and to select an Offeror;
 - (ii) issue a Request for Qualifications/Request for Proposals (RFQ/RFP) pursuant to section 171-59(a), HRS, for the selection of an Offeror;
 - (iii) accept and evaluate proposals submitted by prospective Offerors; and
 - (iv) select the best Offeror.

Respectfully submitted,

/s/ Daniel S. Quinn
Daniel S. Quinn, Administrator

APPROVED FOR SUBMITTAL:

/s/ Peter T. Young
Peter T. Young, Chairperson

State Of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawaii

July 30, 2004

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Subject:

Request to Amend previous Board Submittal of December 12, 2003, (Agenda Item E-2) for approval to Issue, Evaluate, Accept and Select Request for Qualifications/Request for Proposals (RFQ/RFP) to develop, operate, and maintain public recreational facilities at Malaekahana State Recreation Area, at La'ie, O'ahu

In a Board meeting December 12, 2003 the above subject was authorized with a character of use to include development of public recreational facilities and programs with commercial components that are consistent with the concepts of a master plan developed by the State.

The documentation to put the RFQ/RFP out to bid was submitted to the AG's office for review. Under the Statutory Authority section of the Board submission Hawaii Revised Statutes (HRS) 171-59(a) is cited as the authority to provide for direct negotiations for a lease of public lands if the Board finds that the public interest demands it. The Deputy AG review suggests broadening the Statutory Authority to include Parks statute HRS 184-3(6) that grants powers to "Construct and operate suitable public services, enter into contracts, leases, or licenses for the construction or operation of any services, facilities, or conveniences... upon such terms and conditions as are deemed by it to be in the public interest". This addition to the Statutory Authority of the Board approval will give the committee reviewing the bidders proposals and Chair more flexibility in the bidder selection process.

RECOMMENDATION:

Amend the Board Submittal of December 12, 2003 (Agenda Item E-2) to add HRS 184-3(6), Powers of department to the Statutory Authority section and authorize such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Daniel S. Quinn
State Parks Administrator

APPROVED FOR SUBMITTAL:

Peter T. Young, Chairperson

Malaekahana State Recreation Area
Development Plan
Comments raised at Public Meeting No. 1

Comment: Concerned about flooding issue/liability associated with Malaekahana Stream and new development.

Response:

1. Based on the latest available FIRM map, Flood Zones AE (BFE 10-12), VE (BFE 12) and a floodway exist within the Kahuku Section. There are no proposed structures within Zone VE or the floodway. The only structures proposed within Zone AE are pavilions and comfort stations.

Comfort Stations and Pavilions by definition are considered “structures” which must comply with NFIP regulations however the County normally grants variances to these types of structures. The variance will allow the construction of these structures within the flood zone, however certain conditions must be met. (e.g. spaces in walls to allow the release of hydrostatic pressure, electrical boxes raised above BFE etc.).

2. The effect on the inundation zone due to the replacement of Malaekahana Bridge is not known. It is presumed that the inundation zone will not increase, but may actually decrease once a hydraulic analysis is done. To compensate for a possible increase, if any, the tent area is located adjacent to the stream, with the placement of the cabins further away.
3. The development within the park will not cause an increase to the BFE or the inundation zone.
4. Regarding the liability issue. The operator will be required to carry their own insurance to protect themselves against a claim.

Comment: Large groups like to group tents around a cabin.

Response: Tent/Cabin Scheme revised to allow cluster of tents to be within close proximity to the cabins.

***Comment: An area-based operator should be considered.

Response: Community based operators will have the opportunity to submit a proposal when the State issues the RFP.

***Comment: Campsites must be kept affordable (\$66 to \$80/cabin)

Response: The Operator and the State will have to work out a reasonable price for the cabins based on many things. Such things as Capital cost, O&M cost and length of lease will be considered when determining cost to the public.

***Comment: A museum reflecting the history of the site and area would be desirable.

Response: The objective of this project is to determine the best use of the park to provide picnic/passive recreational and camping activities. No interpretive program was intended for this park.

Comment: Why is the State conducting this project. The present condition is OK.

Response: Cabins and the infrastructure do not meet current standards are in a state of disrepair. DOH will require the replacement of large size cesspools by 2005. ADA issue must be addressed. Objective is to determine the best and most efficient use of the park to provide various recreational opportunities for Statewide and visitor users.

Comment: Park user crossing stream are a problem.

Response: Warning signs can be posted near the stream banks.

Comment: Maintenance of Malaekahana Stream an issue

Response: The applicable owner of the stream is responsible for maintenance.

Comment: Is Malaekahana Stream a part of project?

Response: Significant recreational and educational opportunities exist in and around the stream, however the lack of access, except at the stream mouth, limit the use of the stream as a park feature. It is recommended that the stream bank on the park side be cleared and softened to create more accessible stream banks. This will also increase the scenic value of the stream. Presently, a significant portion of the stream bank is overgrown.

Comment: Are Campbell Estate lands an issue if stream edge is softened?

Response: If the stream edge is softened, it will only be on the park side.

Comment: Month to month lease prevents park operator from obtaining financing.

Response: The selected operator will be given a longer lease to build and operate the facility. The level of financial involvement by the State is unknown at this time.

***Comment: Primarily the day users are local residents while the overnight users are outsiders

Response:

(Note: It is not clear what was referred to as a “local” and “outsider”. Did it mean Hawaii vs. Mainland or Kahuku based vs. Outside Kahuku)

February 19, 2003

MEMORANDUM

To: For the Record

From: Lauren Tanaka

Subject: Summary of the Public Information Meeting for the Development Plan of Malaekahana State Recreation Area, Kahuku Section

The second public information meeting to discuss the Development Plan was held on Wednesday, February 12, 2003, at the Kahuku High School Cafeteria.

Carty Chang and Eric Yuasa, Engineers with the Engineering Division, Neal Fukumoto from Wes Segawa & Associates, and Tae Yong Kim of Environmental Communications, Inc., Consultants for the Development Plan were present. Lauren Tanaka, Planner with the Division of State Parks began the meeting at 5:30 p.m. Approximately 38 people were in attendance.

(**NOTE:** An earlier meeting was held on October 21, 2002 with 11 people from the public present. and the following issues were raised: 1) flooding and drainage; 2) private developer should come from Kahuku; 3) costs to develop the park will eliminate a lot of people from the community to qualify for the RFP.)

Olelo, the public information television program taped both meetings at the request of Molly Maxwell-Stribling, Office Manager.

The State prepared a powerpoint presentation of the preliminary Development Plan for the Kahuku Section of the park. Development of the park with new public recreational facilities, replacement of the infrastructure, compliance with the Americans with Disabilities Act of 1990, and enhancement of the area's natural resources are the objectives of the Plan.

The State intends to issue a Request for Proposal (RFP) as a Public Notice to private nonprofit and for profit entities who would like to have the opportunity to develop the area within guidelines established by the Department and the Board of Land and Natural Resources. The process involves the submission of proposals to provide construction of infrastructure and public recreational facilities in accordance with a carrying capacity that was determined in the development plan.

Evaluation criteria established by the Evaluation Committee appointed by the Chairperson includes:

Ability to work with community organizations and local residents to implement a plan for natural resource preservation and conservation of the project environment. Provide verifiable documentation of previous projects where this was an important element.

Prior experience in successfully developing master planned projects similar in size and scope as the bidder's proposed master planned project.

Prior experience in successfully obtaining land use entitlements and government approvals necessary to implement the bidder's proposed master plan.

The financial capability of the bidder to implement its proposed master plan, including the developer's credit-worthiness and ability to secure equity and debt financing.

Three development options are being considered for the provision of facilities, activities, and programs for public recreational use. The preferred alternative is a combination of tent and cabin camping. The common elements of the 3 development options are: new entry/exit road, an internal road system that links parking to camp sites and day use areas, a field office, Manager's residence and security check-in station.

Comments received from the public include keeping the area as it is today and with the same operator, fka The Friends of Mālaekahana (FOM); the State's record with public-private partnerships; a ceiling on camping rates for cabins to keep it affordable to locals; members from the immediate community on RFP selection committee; current development plan similar to the earlier plan; more community involvement in details of plan; current arrangement with the Friends of Mālaekahana has divided the community and families, the park is not open to anyone unless you have a permit; can the State bring together the various parties and resolve the differences that have kept them apart; 3 State parks in the moku, we need to understand that it is a State park, and not our park; helpful to have the plan presented in writing to a committee set up specifically for this purpose; community workshop over several hours; presentations by the State to community councils; preference given to a company or individual that is community based; concern that development costs will preclude a community based individual from submitting a proposal for the RFP; ceiling on charges; if the state decides to conduct a one day workshop, want someone there who makes the

decisions; working groups require long-term commitment; State should bring the community together

There was also some discussion regarding the level of community input involved in the Development Plan. While the State has made presentations to the Koolauloa Neighborhood Board, the La'ie Community Association, and Malama Ohana in November 2002, overwhelming support for further community involvement will result in a community planning workshop being scheduled. Several suggestions were made to have the community help the State at a one day workshop to determine what the parameters of the RFP will be.

Craig Chapman, representing Lanihuli Community Development Corporation (LCDC), fka Friends of Mālaekahana, presented his plans for the park's development. From 1994 his organization has been authorized to operate and maintain the park's facilities and grounds with no compensation to the State. Revenues collected from the rental of the tent and cabin facilities provided by the State are kept within the same organization. However, Mr. Chapman's prevailing issue with the State is not being given a long-term lease so that he could qualify for funds from the private sector and the federal government. He claims that while he was unable to invest the grant funds he generated to develop the park, he invested funds for needed building and property improvements, including the water system and stated that he was given a broken property and he fixed it.

As he further explains, LCDC is a 501c3 native Hawaiian organization whose purpose is to improve, enhance and add value to public and private recreation areas while reducing entitlements to the State; in 1999, Mālaekahana SRA, Kahuku Section was voted the best and safest camping facility in the State; he has plans that include the development of an Eco camp comprised of Hawaiian type structures, use of solar energy, compost toilets, propane gas; 4 levels of accommodations: 1) Tent camping at \$5 per site per night; 2) Hale - 8 x 8 unit, double bed or 2 singles for \$20/night; 3) 4 person hale only for sleeping; non-permanent structures; common eating and bathing area; 3) 6 person hale - bathroom, small kitchen, thatched roof; there is currently no greeting area where park visitors can converge with other public visitors; the theme for the park unit; centralized location; people come to country to barbeque; will be based on Polynesian villages i.e., Samoan village, Hawaiian village at an affordable price; thatched cooking hut there aren't a lot of facilities available for baby luaus, weddings, and graduation parties. There is a need for 40' x 60' luau hale, a large pavilion for people to gather. The middle

section should be main thoroughfare with cabin #2 renovated to a reception area and having a small restaurant/snack bar. Emphasis was made as to his service to the community and helping the homeless with a give and take food area; has the support of several community members present at the meeting; the State rejected because it was his plan; plan has to be phased in, not done wholesale; have community respond to each phase to put it to the test.

Dawn Wasson had asked to be placed on the agenda but announced that she had to leave early and would not be giving her presentation.

Raymond Primacio, Park Caretaker for the Day use area spoke about the difficulties he has had as a State employee with getting support to purchase equipment to do his job; aware that the State has had difficulties with the current permittee but those differences should not be used to exclude him from this process.

Gladys Pauloa, mother-in-law of Craig Chapman stated her support of Chapman's plan, feels he is the most qualified; there is a need for facilities for people who go to Polynesian Cultural Center and want to stay in La'ie overnight; the State should exchange time for funds and let us go ahead; the state took 9 years to decide if they want to give Chapman a lease; month-to-month makes it hard to get funds.

Several people said they wanted the park to stay natural, no paved roads, no development; many are afraid that any new development will encourage use of the park by mainland visitors and not locals; also concerned that cabin rates will also keep locals out of the park.

The second public information meeting ended at 8:40 p.m.

(**Note: Don Hurlbut, Kahuku Community Association President noted that the meeting was being recorded and asked that copies of the minutes be sent to those present at the meeting who had provided addresses on the sign-in sheet.)

STATE OF HAWAII
Department of Land and Natural Resources
Division of State Parks
Park Planning Branch
Honolulu, Hawaii

March 8, 2004

MEMORANDUM

To: Daniel S. Quinn, Administrator
Jim Springer, Property Manager

From: Lauren Tanaka

Subject: Public Information Meeting for the RFQ/RFP of Mālaekahana SRA

The following are notes regarding the subject item:

On February 26, 2004, a meeting was held at Kahuku High and Intermediate School to discuss with the community the State's plans to find a private organization to develop, operate, and maintain public recreational facilities at the park. Sixteen persons signed in, although there were approximately 8 individuals who came after the meeting had started and did not sign in. Of the 24 people in attendance, 2 indicated that they were interested in bidding on the RFP, Craig Chapman and Molly Stribling.

The purpose for the meeting was to get feedback on whether the community wanted the Kalanai Section included in the RFP and if they did, what kinds of facilities would they like to have when the park is developed. Three stations, manned by staff, 1 for the RFQ/RFP process, 1 on the development Plan recently completed for the Kahuku Section, and the last for including the Kalanai Section in the RFP and other issues, answered questions and discussed issues raised. There was a lot of concern that the maximum development concept we used as an example would not be able to generate the kinds of dollars that would be needed to make the place into a successful profit-making venture.

On the comments form, the following questions were asked:

1. When the RFQ/RFP is issued, would you like the Kalanai Section to be included? If so, what uses would you like to see?

Three said yes, to have someone take care of it, preserve the natural and cultural environment; for open camping, an artists' area and overnight structures, and to have a "hale" covered structure for large activities, with the State subsidizing the development

We also asked if they would indicate with a colored dot, a yes or no to the question regarding including the Kalanai Section in the RFP. Twenty-one dots were placed on the no side, and 9 on

the yes. Dan fielded questions at this station and would know why people voted the way they did.

2. The provision for public recreational facilities at this park will require major infrastructural improvements in addition to new camping opportunities. The capital investment needed to develop this area is quite considerable. In order for the operator to receive a return on the investment that will make the project economically feasible, rates for use of the facilities will have to be higher than what is currently charged. How do you feel about that and what is the maximum rate you would pay for a) tent site, and b) cabin?

One person said \$10. for each camp site and \$80 - 100 for a cabin. The other said \$10 for camping with a tent and \$50 for a cabin.

3. What features do you consider most important to be preserved?

Environmental resources and community management; the quietness and natural look and feel of the properties.

4. Other comments received were about providing notice of the meeting in community newspapers, and if there would be review by the community, at what stage, and times.

We announced the names of those individuals who were appointed by the Chairperson to sit on the evaluation committee and were present. Comments received were what about the name recommended by the Kahuku Community Assn. The other comment indicated that the place of the meeting was difficult for people to find. Due to the unexpected change in the place for our meeting and the weather conditions that evening, Dan requested that we conduct another meeting. Notice of the meeting is attached.

March 25, 2004

MEMORANDUM

To: Daniel S. Quinn, Administrator
Jim Springer, Property Manager

From: Lauren Tanaka

Subject: Fourth Public Information Meeting on the RFQ/RFP of Malaekahana SRA

Sixteen people signed in at the March 23, 2004 meeting on the RFQ/RFP of Malaekahana SRA. The decision to have another meeting was to try to attract people who are interested in the future of the park but may have been unable to make the February meeting because of the weather or change in the meeting place. The same information was presented as the one we had in February.

Reviewing the results of the vote on including the Kalanai section as part of the RFP package it is apparent that there is little support for the concept with 2 to 14 with 1 undecided at this meeting and 9 to 21 in February. The lack of support for the concept may be based on issues of public access, camping fees that will not be affordable to residents, loss of the open, natural, wilderness feeling, and too much development.

The \$4 million plus as the estimated development costs derived by the Consultant for infrastructure improvements and utilities, site work and landscaping, and 10 cabin structures have suggested to the community that corporations whose business interests are based outside Hawaii will likely be the bidders on the RFP.

Comments that the community should have major input into the nature and type of development, too much development will be required to make back the \$4 million investment and the highest and best use should benefit the community, not a profit making entity were often expressed. Other information regarding how often they visit the park, what activities they participate in, and desired uses of the area were: 20 times, 5 times; 20 to 25 times, going to the beach. Recreational activities that are desired are horseback riding, fishing, and retreats, surfing lessons for kids, and cultural education for kids to understand the use of Hawaiian medicinal and healing plants.

5.4 Alternative 3 – Tent and Cabin Combination

Intent and Goals

This alternative includes tent and cabin camping and day use. While similar to the existing use of the site, this alternative would accommodate higher densities and greater services. The cost of development would be moderate to high but may be attractive enough to encourage private development. The intent of this alternative also provides services to a broader mix of existing and potential park users. Occupant capacities were determined by engineering guidelines promoted by the State of Hawaii Department of Health, existing operations at the site, and with consideration to preserving the natural environment.

Concept

38 tent camp sites (3.0 units per acre/10 occupants per site)

Tent sites approximately 1,000 square feet with 10-foot buffers between sites

Cabins approximately 800 to 1,000 square feet

10 cabins (2.8 units per acre/6 occupants per cabin)

440 overnight users per day

Unrestricted day users

Tent sites clustered along calm stream zone and around cabins

Cabins located setback off buffered shoreline area

Shoreline picnic zone serves as buffer zone

Informal activity area centrally located

Day use areas have direct access to shoreline

Picnic areas

Public/facility user access served by a check-in control point

Maintenance/Base yard located close to highway with separate access point

Multi-purpose facility to accommodate large group (100 occupants) events is centrally located with easy access to the informal activity area

Advantages

Encourages a mix of uses and activity levels

Serves a broad range of park users

Differentiates Kahuku Section from the Kalanai Section

Does not discourage public day users

Moderate development and operational cost

Offers site developers most flexibility

Disadvantages

Development costs may still be fairly high for operators

Mixed uses and levels of activity require strong management /operations monitoring

Does not create a strong sense of identity for the park

Discussion

This alternative as well as the Alternatives 1 and 2 include the same common elements which include: a new two-way entry exit road, a separate check-in point, a common field office and manager's home, maintenance/base yard location, informal activity area, and day use area.

This hybrid alternative allows for moderate density and infrastructure demand while expanding State recreation opportunities. The site configuration also references the former use of the site by locating cabins in a more residential layout while maximizing the use of flood zone areas for tent, day use and informal activity areas. Current park users and community members have stated that it is common practice to cluster a group of tents around a cabin. For this reason, several cabins are designated for adjacent clustered tent use. Some of the cabins are recommended to be kept in cabin only use.

Establishing uses for co-location of cabin and tent users will offer a unique recreational experience and one that is desired by residents and members of the community. Pricing for group use will allow the private operator to collect greater revenues to provide increased services to the public.

From an operations standpoint, this alternative offers the potential developer the most flexibility in operations and revenue generation. The number of overnight users that can be accommodated (440) is within the park loads presently experienced at the site under the existing conditions. Infrastructure requirements to accommodate this number can also be easily integrated into the site.

Development Cost

Development costs associated with this alternative are estimated as follows:

Infrastructure and Utilities	\$1,363,000
Site Work and Landscaping	\$1,199,000
Structures	<u>\$1,875,000</u>
Total	\$4,437,000

Recommendations

Mixed tent, cabin and day use functions are presently located on site. While these facilities remain in demand, the present state of repair for this eclectic inventory of substandard facilities does not approach the potential that the park could offer. The structures are former single-family homes that were relocated in less than optimal sitings. This configuration places tent camping and higher activity uses between buildings. The largest cleared area within the park is presently off limits to park users and is underutilized as a base yard and maintenance area.

Park improvements under this alternative will require substantial investment albeit at a significantly lower level than an all cabins alternative. The co-location of the cabin sites does, however, offer the opportunity to create a very different camp experience between tent users and cabin users. This may allow premium pricing or group use structuring that could assist camp operators in providing a higher level of service throughout the site. It should be noted that the DOCARE residence could be considered for cabin use and would effectively consolidate the southern most portion of the site into the Master Plan.

Based on the flexibility, product differentiation, attractiveness for development and accessibility to residents, this alternative is recommended as the preferred alternative for long-term use of the project site.